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**Introduced by Senator Speier**

February 22, 2005

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An act to amend Section 1339.57 of the Health and Safety Code, relating to the Payers' Bill of Rights.

LEGISLATIVE COUNSEL'S DIGEST

SB 917, as introduced, Speier. Payers' Bill of Rights: diagnostic related groups.

The existing Payers' Bill of Rights authorizes the Office of Statewide Health Planning and Development to compile a list of the 10 most common Medicare diagnostic related groups (DRGs) and the average charge for each of these DRGs per hospital, and to publish this information on its Internet Web site.

This bill would, instead, require the office to compile a list of the 25 most common Medicare DRGs and the average charge for each of these DRGs per hospital, and would require the office to publish that information on its Internet Web site. The bill would also require the office to use Medicare All Patient Refined(APR)–DRGs for all hospitals, except hospitals with fewer than 10% Medicare admissions in the previous year. The bill would require the office to designate the APR–DRG methodology that it will use for the hospitals that are not reported on the Medicare DRG system.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the  
2 following:

1 (a) Existing law requires that hospitals report various charges  
2 to the Office of Statewide Health Planning and Development and  
3 make certain charges available to any person upon request.

4 (b) It is desirable for the public to have access to information  
5 that permits comparison of charges for high volume diagnostic  
6 related groups among hospitals.

7 (c) The office is best positioned to make hospitals' charge  
8 information available through its Internet Web site.

9 (d) This act shall be known, and may be cited as, the Hospital  
10 Transparency Act of 2005.

11 SEC. 2. Section 1339.57 of the Health and Safety Code is  
12 amended to read:

13 1339.57. The office ~~may~~ *shall* compile a list of the ~~10~~ 25 most  
14 common Medicare diagnostic related groups (DRGs) and the  
15 average charge for each of these DRGs per hospital. The office  
16 ~~may~~ *shall* publish this information on its Internet Web site. *The*  
17 *office shall use Medicare All Patient Refined (APR)–DRGs for*  
18 *all hospitals, except hospitals with fewer than 10 percent*  
19 *Medicare admissions in the previous year. The office shall*  
20 *designate the APR–DRG methodology it will use for hospitals*  
21 *that are not reported on the Medicare DRG system.*